Financial Transactions and Reports Analysis Centre of Canada

2010-2011

Report on Plans and Priorities

The Honourable James M. Flaherty
Minister of Finance

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Director's Message

I am pleased to present FINTRAC's 2010-2011 Report on Plans and Priorities, an outline of the organization's corporate direction for the coming year.

FINTRAC has seen changes in recent years with the implementation of amendments to our governing legislation, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* and the development of a three-year strategic plan to guide our work. Our legislative mandate has grown and FINTRAC has become more capable and focused in the detection and deterrence of money laundering and the financing of terrorist activities in Canada and abroad.

In the upcoming year, FINTRAC will maintain the momentum brought by these changes to ensure that effective measures are adopted in a variety of business sectors to combat money laundering and terrorist activity financing. By improving compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act,* we will strengthen Canada's defences against those that would abuse its financial system.

We are improving our processes for the analysis and disclosure of financial intelligence. These strides to improve our effectiveness will allow us to assist a larger number of investigations more quickly, helping them connect the money with the crime. As we make these improvements, we recognize that the true measure of FINTRAC's success will be the contribution that we make to the work of our partners.

As FINTRAC continues to improve its current operations, it is important that we also keep an eye to the future. We will identify new trends and emerging methods used to hide the proceeds of criminal activities and finance terrorist activity. FINTRAC will look toward the future by anticipating new threats and seeking out ways to contribute from our unique perspective and specialized role.

Jeanne M. Flemming
Director

Section I: Overview

❖ Raison d'être and Responsibilities

Raison d'être

The Financial Transactions and Reports Analysis Centre of Canada (FINTRAC), Canada's Financial Intelligence Unit, exists to detect and deter money laundering and terrorist financing. The end result is a unique contribution to the public safety of Canadians and to the protection of the integrity of Canada's financial system. FINTRAC is an independent agency that was created in 2000. It reports to the Minister of Finance, who is in turn accountable to Parliament for the activities of the Centre. FINTRAC was established and operates within the ambit of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA) and its Regulations.

FINTRAC is one of several domestic partners in Canada's Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Initiative, which also includes the Department of Finance as the policy lead, the Royal Canadian Mounted Police (RCMP), the Canadian Security and Intelligence Service (CSIS), the Canada Revenue Agency (CRA), the Canada Border Services Agency (CBSA), the Office of the Superintendant of Financial Institutions (OSFI), the Public Prosecution Service of Canada, Communications Security Establishment Canada, the Department of Justice, Public Safety Canada and the private sector. FINTRAC is also part of the Egmont Group, an international network of financial intelligence units that collaborate to combat money laundering and terrorist activity financing.

FINTRAC's Mission

To contribute to the public safety of Canadians and help protect the integrity of Canada's financial system through the detection and deterrence of money laundering and terrorist financing.

FINTRAC's Vision

To be recognized as a world class financial intelligence unit in the global fight against money laundering and terrorist financing.

Responsibilities

FINTRAC is Canada's financial intelligence unit and is a specialized agency which undertakes activities related to the collection of financial information and the production and dissemination of financial intelligence. In addition, the Centre undertakes activities to ensure compliance by reporting entities with their obligations under Part 1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act.*

FINTRAC's mandate is to facilitate the detection, prevention and deterrence of money laundering, terrorist activity financing and other threats to the security of Canada by gathering and analyzing information on suspect financial activities; making disclosures of financial intelligence to the appropriate law enforcement agency, CSIS, or other

agencies designated by legislation in support of investigations and prosecutions and ensuring those subject to the PCMLTFA comply with reporting, record keeping and other obligations. FINTRAC's mandate also includes enhancing public awareness and understanding of matters related to money laundering. These activities are conducted while ensuring the protection of the personal information under FINTRAC's control.

FINTRAC's headquarters is located in Ottawa, with three regional offices in Montreal, Toronto and Vancouver having specific mandates related to compliance with the Act.

❖ Strategic Outcome and Program Activity Architecture (PAA)

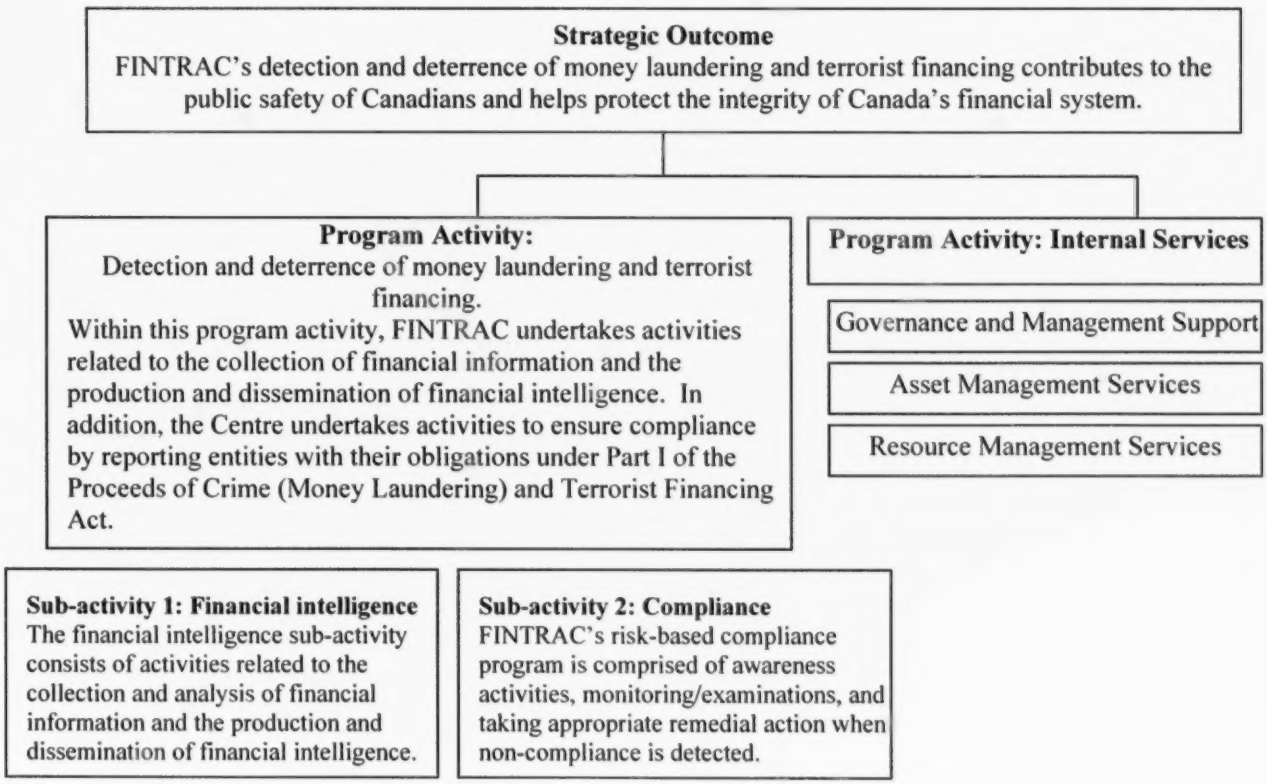
Strategic Outcome

To effectively pursue its mandate, FINTRAC aims to achieve the following strategic outcome:

> FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.

Program Activity Architecture

The chart below illustrates FINTRAC's complete framework of the program activities and sub-activities that contribute to the Agency's Strategic Outcome.


Strategic Outcome
FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.
Program Activity:
Detection and deterrence of money laundering and terrorist financing.
Within this program activity, FINTRAC undertakes activities related to the collection of financial information and the production and dissemination of financial intelligence. In addition, the Centre undertakes activities to ensure compliance by reporting entities with their obligations under Part I of the Proceeds of Crime (Money Laundering) and Terrorist Financing Act.
Program Activity: Internal Services
Governance and Management Support
Asset Management Services
Resource Management Services
Sub-activity 1: Financial intelligence
The financial intelligence sub-activity consists of activities related to the collection and analysis of financial information and the production and dissemination of financial intelligence.
Sub-activity 2: Compliance
FINTRAC's risk-based compliance program is comprised of awareness activities, monitoring/examinations, and taking appropriate remedial action when non-compliance is detected.

❖ PAA Crosswalk

Program Activity Architecture Crosswalk

FINTRAC is introducing an enhanced program activity architecture (PAA) in 2010-11 that will enable more accurate reporting on activities and their benefits to Canadians. The new PAA has been developed to reflect changes from the introduction of new activities as a result of amendments made to the PCMLTFA and the development of the FINTRAC Strategic Plan for 2009-2012. The following table presents FINTRAC's new and previous Strategic Outcome and Program Activity as well as new sub-activities.

	Current PAA	Previous
Strategic Outcome	FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.	Financial Intelligence that contributes to the detection and deterrence of money laundering and terrorist activity financing in Canada and abroad.
Program Activity	Detection and deterrence of money laundering and terrorist financing	Collection, analysis and dissemination of financial information
Sub-activities	Financial Intelligence Compliance	N/A

The amendments to the Strategic Outcome (SO) were made to show that the intended effect of FINTRAC's work is to contribute to the public safety of Canadians and to help protect the integrity of Canada's financial system. The reference to financial intelligence was removed at the beginning of the SO and is now reflected as a sub-activity. This reflects that there are other components to the detection and deterrence of money laundering and terrorist financing, such as compliance activities.

The Program Activity (PA) was modified and two sub-activities were created to better reflect FINTRAC's work. Notably, the PA speaks to the detection and deterrence of money laundering and terrorist financing, a shift from the previous PA which focused solely on financial information. The two sub-activities, Financial Intelligence and Compliance reflect the major operational aspects of FINTRAC's work. In addition to financial intelligence, the compliance function plays an integral role in the AML/ATF regime. First, it ensures that FINTRAC receives the financial information that it needs to analyze and disclose on cases of suspected money laundering and terrorist financing. The compliance program also serves as a deterrent for those who would attempt to use Canada's financial systems for money laundering or terrorist financing purposes. The implementation of new legislative requirements for reporting entities, including the introduction of administrative monetary penalties and a money services business registry have strengthened FINTRAC's capacity to ensure compliance with the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (PCMLTFA).

❖ Planning Summary

Financial Resources ($ Millions)

2010-11	2011-12	2012-13
49.8	31.7	31.0

As a result of legislative amendments to the PCMLTFA, FINTRAC received additional funding in Budget 2006. For the years 2011-12 and 2012-13, a reinstatement of resources of $16.2M, which represents resources for FINTRAC's anti-money laundering / anti-terrorist financing initiative, is contingent on a Treasury Board mandated 10 Year review of Canada's AML / ATF Regime. As well, FINTRAC will receive funding under the National Anti-Drug Strategy until 2011-12. If this funding is not renewed, resources will be reduced by $.726M in 2012-13. The reinstatement of the $16.2M will bring FINTRAC's resources for 2011-12 to $47.9M and for 2012-13 to $47.2M.

Human Resources (Full-time Equivalent – FTE)

2010-11	2011-12	2012-13
315	222	216

For the years 2011-12 and 2012-13, the number of FTEs is contingent on the reinstatement of the above-mentioned funds under the AML / ATF Regime and the National Anti-Drug Strategy. The reinstatement of funds under the AML / ATF Regime would bring the number of planned FTEs to 315 for 2011-2012, and to 309 for 2012-2013. The number of FTEs would increase by 6 to 315 in 2012-2013 if the National Anti-Drug Strategy funding were also to be reinstated.

Strategic Outcome: FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.					
Performance Indicators		**Targets**			
Number of case disclosures and strategic products that assist and/or are used in investigations and other actions by law enforcement, intelligence agencies and prosecutors		Stable or increasing number of case disclosures used in investigations and other actions			
Degree of involvement of reporting entities and other entities with obligations in the Anti Money Laundering / Anti-Terrorist Activity Financing (AML/ATF) regime		Increasing number of participants in FINTRAC's information sessions, the number of hits on the Web site, and the number of calls to the Call Centre			
Program Activity	**Forecast Spending 2009–10**	**Planned Spending**			**Alignment to Government of Canada Outcomes**
		2010–11	**2011–12**	**2012–13**	
Detection and deterrence of money laundering and terrorist financing	51.3	49.8	31.7	31.0	Safe and secure communities
Total Planned Spending		49.8	31.7	31.0	

❖ Contribution of Priorities to Strategic Outcome

Operational Priorities	Type	Links to Strategic Outcome	Description
Align our financial intelligence products more closely with our partners' needs and identify emerging money laundering and terrorist financing trends.	Previously Committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	**Why this is a priority:** • Products must be relevant to partners' needs and priorities and available in a timely fashion to be of optimal assistance. • Investigations, prosecutions, and restraint and forfeiture of proceeds of crime are outside of FINTRAC's mandate, but constitute a desired end-result of the AML/ATF regime. **Plans for meeting the priority:** • Ensure that FINTRAC's key partners' intelligence requirements are identified, prioritized, and that tactical and strategic financial intelligence products respond to these requirements. • Identify, communicate and exploit emerging trends and patterns in financial intelligence. • Continuously solicit feedback and evaluate the effectiveness of financial intelligence products.
Refine our risk-based compliance program.	Previously Committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of*	**Why this is a priority:** • FINTRAC's compliance program ensures that FINTRAC receives the financial information it needs to analyze and disclose on cases of suspected money laundering and terrorist financing. • The compliance program serves as a deterrent for those who would attempt to use Canada's financial systems for money laundering or terrorism financing purposes. • The risk-based compliance program and the implementation of the legislative requirements resulting from the 2006

		Canada's financial system	amendments to the PCMLTFA allow FINTRAC to better utilize its resources and be more efficient in its enforcement of compliance with the Act. **Plans for meeting the priority:** • Improve FINTRAC's risk assessment model. • Improve report data quality. • Strengthen FINTRAC's ability to enforce and ensure compliance with the PCMLTFA.
Enhance collaboration with our partners and stakeholders.	Previously Committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	**Why this is a priority:** • Collaborating with businesses who have obligations under the PCMLTFA provides them with insight into how we use the information that they provide. This supports them in providing FINTRAC with high quality information. • Collaborating with the recipients of FINTRAC products enables FINTRAC to enhance the value of information provided. **Plans for meeting the priority:** • Strengthen relationships with key partners to foster the alignment of priorities and efforts to increase overall effectiveness. • Ensure that effective mechanisms are in place for sharing information with partners. • Strive for better integration with the intelligence community to become a key contributor to national security efforts. • Work to ensure that reporting entities, partners and other stakeholders understand and support FINTRAC's work and mission. • Develop new international relationships, and enhance the use of existing relationships with

			international partners. • Share FINTRAC's expertise with developing FIUs.
Pursue policy and legislative opportunities to strengthen the AML/ATF regime.	Previously Committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	**Why this is a priority:** • The identification of gaps and possible improvements to the regime is critical in order to ensure that FINTRAC is well positioned to pursue opportunities to improve on the ability to fulfill its mandate. • The 10-year evaluation of Canada's Anti-Money Laundering / Anti-Terrorist Financing Regime may identify opportunities for improvement. • The upcoming Parliamentary review of the PCMLTFA will require significant FINTRAC attention and may identify opportunities for legislative changes to strengthen the AML/ATF regime. **Plans for meeting the priority:** • Maximize the use and interpretation of the current legislation. • Increase FINTRAC's ability to influence policy and legislative directions of Canada's AML/ATF regime and international standards. • Promote a more effective regulatory framework to facilitate and improve quality and quantity of reporting of financial information. • Prepare for, and actively participate in the 10-year AML/ATF regime review and the upcoming Parliamentary review of the PCMLTFA.
Be innovative in our approach to operational processes to maximize our efficiency and effectiveness.	Previously Committed to	This priority contributes to FINTRAC's strategic outcome:	**Why this is a priority:** • The volume of reports received by FINTRAC calls for sophisticated IT tools to extract financial intelligence and identify cases of non-compliance. • Improving key business processes

		FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system	through innovation and automation will allow FINTRAC to make the best use of its resources and maximize its impact in the AML/ATF regime by producing more relevant and timely financial intelligence. **Plans for meeting the priority:** • Implement processes to enhance the centre's efficiency and effectiveness. • Continue to automate key business processes through technology-driven solutions.

Management Priorities	Type	Links to Strategic Outcome	Description
Promote excellence in our workforce and strengthen our management and human resources framework.	Previously Committed to	This priority contributes to FINTRAC's strategic outcome: *FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system*	**Why this is a priority:** • FINTRAC is a maturing organization, and is going through a period of change in its management and business processes. • The Centre is focusing on human and resource management to ensure that FINTRAC continues to be a strong organization that delivers on expected results. **Plans for meeting the priority:** • Align the Centre's internal controls with government priorities in each area. • Review and update corporate policies and practices in light of FINTRAC's business strategies. • Ensure the most efficient alignment of resources with business priorities and strategic directions. • Strengthen FINTRAC's management framework through a comprehensive review of the agency's performance measurement framework and practices.

			• Develop and maintain a reputation as an "employer of choice" with a diverse and dynamic workforce. • Maintain and strengthen FINTRAC's unique expertise and skill sets with the help of employee development programs and encourage and support career progression.

❖ Risk Analysis

As Canada's Financial Intelligence Unit and a partner in Canada's Anti-Money Laundering/Anti-Terrorist Financing Initiative, FINTRAC is a unique organization and will continue to face unique challenges. FINTRAC, recognizing the importance of risk management, has updated its Corporate Risk Profile in 2009-10 and will be integrating it into its planning cycle in 2010-11.

FINTRAC's operating environment is shaped by a number of important considerations. The organization has recently undergone significant changes with the development of a strategic plan for 2009-12 and the coming into force of requirements brought about by amendments to the PCMLTFA. FINTRAC is now in the process of refining and improving its operations based on these changes, and in doing so the Centre will continue to face challenges with regard to resource levels. Additionally, FINTRAC is looking towards the future to ensure that the organization is well positioned to enhance its contribution to the AML/ATF regime by anticipating and responding to new opportunities and threats.

Fiscal year 2010-11 will mark ten years since the creation of the AML/ATF Initiative (formerly the National Initiative to Combat Money Laundering). In this 10th year the regime will undergo a comprehensive evaluation to asses its relevance, success and cost effectiveness. This important review will require significant FINTRAC attention, and the recommendations stemming from it may identify opportunities for improvement within the regime and FINTRAC. The evaluation is scheduled for completion in the second half of fiscal year 2010-11. The PCMLTFA is also scheduled to undergo a Parliamentary review in 2011. As a result of the last Parliamentary review in 2006, several amendments were made to the PCMLTFA, which in turn resulted in significant changes to FINTRAC's operations.

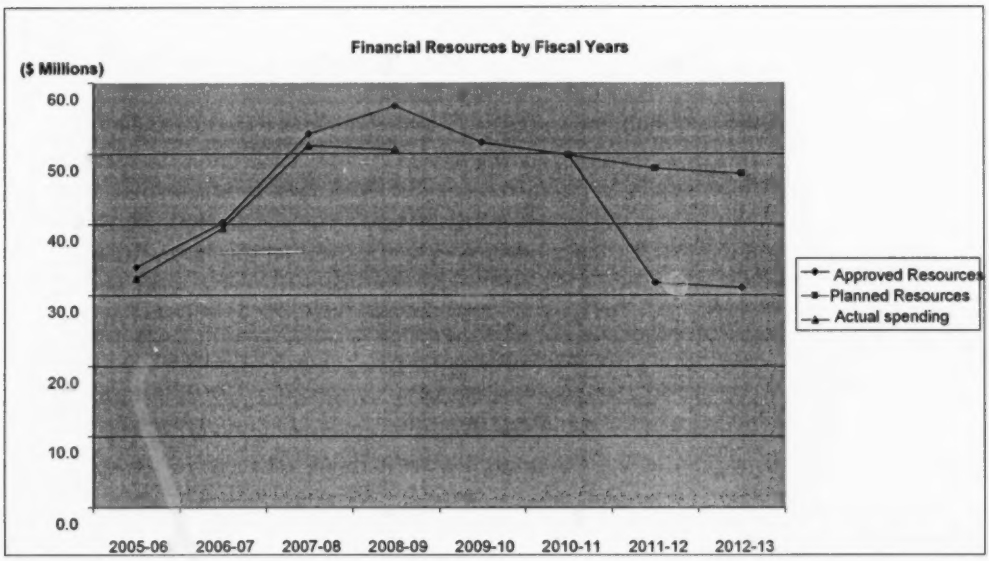
As identified in FINTRAC's Corporate Risk Profile, it is important that FINTRAC keep pace with the adaptations that criminals make to conceal proceeds of crime and with the clandestine efforts of those engaged in terrorist activity financing.

An increased demand for FINTRAC tactical products from disclosure recipients coupled with an increased demand for strategic products from partners, reporting entities and other stakeholders will continue to require the use of technological tools and dedicated resources for tactical and strategic research and analysis. Now, more than ever, FINTRAC must work to align intelligence products with the needs of recipients to ensure that they are as useful and timely as possible. FINTRAC must also make a concerted effort to foster relationships with reporting entities as they are an integral part of the AML/ATF initiative.

Further to the above noted risks, FINTRAC, like many other organizations, has the challenge of changing workforce demographics and the risk of being able to attract and retain a sufficient and representative workforce with the appropriate competencies to adequately support, deliver and manage programs and services.

❖ Expenditure Profile

Departmental Spending Trend



Actual Spending 2005-2006 to 2008-2009

FINTRAC received funding for the new initiatives called for by the December 2006 Amendments to the PCMLTFA; however, as the coming into force dates of these initiatives gradually occurred over the following three fiscal years, important reprofiling of funds was prompted, which explains the apparent peak in resourcing for the years 2007-2008 and 2008-2009.

From 2005-2006 to 2006-2007, the total resources available to FINTRAC increased from $34.0M to $40.3M. This additional funding allowed FINTRAC to respond to existing program pressures (Business Continuity Plan (BCP) – disaster recovery site, asset replacement plan and workload pressures) related to the National Initiative to Combat Money Laundering (NICML, now AML/ATF regime). Actual spending was $39.4M in 2006-2007.

In 2007-2008, funding increased to $53.5M (including an amount of $5.082M which was reprofiled from 2006-07): additional resources were allocated towards the 5 year contribution for the establishment of the Egmont Group secretariat in Toronto, for FINTRAC's participation in the National Anti-Drug Strategy and for the implementation of the new initiatives. Actual spending for 2007-2008 was $51.1M.

The resources available for spending in 2008-2009 were $56.8M, including an amount of $5.1M reprofiled from 2007-2008 for new initiatives. Actual Spending for 2008-2009 was $50.6M , with a total of $1.85M being reprofiled into fiscal year 2009-2010.

Planned Spending 2009-2010 to 2012-2013

Resources available in 2009-2010 are $51.3M, including a reprofiling of $1.25M for FINTRAC's BCP – Disaster recovery site and $.6M for the Contribution of the Establishment of the Egmont Group Secretariat.

Approved resource levels for fiscal years 2010-2011 are $49.8M, $31.7M in 2011-2012 and $31.0M in 2012-2013. Please note the sunsetting of FINTRAC's anti-money laundering / anti-terrorist activity financing initiative in 2010-2011. The reinstatement of ongoing resources of $16.2M for FINTRAC's anti-money laundering / anti-terrorist activity financing initiative is contingent upon approval of evaluation of the AML/ATF Regime. Funding for the National Anti-Drug Strategy has been provided until 2011-2012.

In 2011-2012, Canada's Contribution for the establishment of the Egmont Group Secretariat will also be sunsetting. This is in keeping with Canada's commitment to host the Secretariat, which included start-up funding of $5M over five years. Beginning in 2011, the Egmont Group Secretariat will be fully funded through annual contributions by Egmont members.

❖ Voted and Statutory Items

(In millions of $)

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording	2009–10 Main Estimates	2010–11 Main Estimates
25	Program expenditures	43.7	45.4
(S)	Contributions to employee benefit plans	4.2	4.4
	TOTAL	47.9	49.8

Section II: Analysis of Program Activities by Strategic Outcome

❖ Strategic Outcome

FINTRAC's detection and deterrence of money laundering and terrorist financing contributes to the public safety of Canadians and helps protect the integrity of Canada's financial system.

Money laundering and terrorist financing are crimes that are transnational in nature and affect all Canadians. Money laundering is the process by which criminals disguise the proceeds of criminal activities as legitimate money. This erodes the integrity of the financial system and allows criminals to benefit from their activities. The financing of terrorist activities provides terrorists with the means to plot and carry out activities that threaten the public safety of Canadians. The detection and deterrence of the laundering of criminal proceeds and the financing of terrorist activities is vital to the public safety of Canadians and the integrity of their financial system.

The following section describes FINTRAC's program activities and identifies the expected result, performance indicators and targets for each of them. This section also contains a discussion of plans surrounding FINTRAC's program activities, explains how FINTRAC plans on meeting the expected results and presents the financial and non-financial resources that will be dedicated to each program activity. FINTRAC's program activities are:

- Detection and deterrence of money laundering and terrorist financing; and
- Internal services.

In order to measure FINTRAC's success against the Strategic Outcome, the following performance indicators and associated targets are in place:

Performance Indicators	Targets
The number of case disclosures and strategic products that assist and/or are used in investigation and other actions by law enforcement, intelligence agencies and prosecutors.	Stable or an increasing number of case disclosures used in investigations or other actions
Degree of involvement of reporting entities and other entities with obligations in the Anti Money Laundering / Anti-Terrorist Activity Financing (AML/ATF) regime.	Increasing number of participants in FINTRAC's information sessions, the number of hits on the Web site, and the number of calls to the Call Centre

In order to ensure that progress is made towards the achievement of the strategic objective, FINTRAC undertakes activities related to the collection of financial information and the production and dissemination of financial intelligence within the detection and deterrence of money laundering and terrorist financing program activity. In addition, the Centre undertakes activities to ensure compliance by reporting entities with

their obligations under Part 1 of the PCMLTFA. Plans for 2010-11 include continuing to refine and improve the organization and its processes, as well as looking towards the future for opportunities enhance the impact of FINTRAC's unique contribution.

❖ Program Activity 1.1: Detection and Deterrence of Money Laundering and Terrorist Financing

Program Activity 1.1: Detection and Deterrence of Money Laundering and Terrorist Financing					
Human Resources (FTEs) and Planned Spending ($ Millions)					
2010–11		**2011–12**		**2012–13**	
FTEs	**Planned Spending**	**FTEs**	**Planned Spending**	**FTEs**	**Planned Spending**
268	42.3	189	26.9	184	26.3

Program Activity Expected Results	**Performance Indicators**	**Targets**
Law enforcement, intelligence agencies and prosecutors received timely and relevant tactical and strategic financial intelligence useful for further actions in investigations and other actions	Satisfaction expressed by law enforcement and security agencies with the usefulness of case disclosures and strategic information products.	On feedback forms, recipients of information rate the information as useful and timely.
Reporting entities are in compliance with the PCMLTFA and related regulations	Level of compliance by reporting entities with the PCMLTFA.	High level of compliance.

Program Activity Summary:

Within this program activity, FINTRAC undertakes activities related to the collection of financial information and the production and dissemination of financial intelligence. In addition, the Centre undertakes activities to ensure compliance by reporting entities with their obligations under Part 1 of the PCMLTFA.

The two sub-activities of this program activity are:

- Financial Intelligence: The financial intelligence sub-activity consists of activities related to the collection and analysis of financial information and the production and dissemination of financial intelligence.
- Compliance: FINTRAC's risk-based compliance program is comprised of awareness activities, monitoring/examinations and taking appropriate remedial action when non-compliance is detected.

This program activity is expected to contribute to FINTRAC's strategic outcome in the following ways:

- FINTRAC will develop tactical and strategic intelligence products that can be used by disclosure recipients for further action, contributing to actions that disrupt money laundering and terrorist financing activities. This contributes to the public safety of Canadians and the integrity of the financial system. FINTRAC will request feedback from disclosure recipients with a target of receiving feedback that information provided is timely and relevant.
- Deterring money laundering and terrorist financing by working with reporting entities and other key stakeholders helps to ensure the integrity of the financial system and contributes to the public safety of Canadians. FINTRAC's target is to achieve a high level of reporting entity compliance with PCMLTFA obligations.

Planning Highlights:

This program activity encompasses FINTRAC's financial intelligence and compliance activities. These activities are complemented by research and government relationships activities, both domestic and international. The effective and efficient production of financial intelligence, both tactical (case disclosures) and strategic (trends and typologies) necessitate research work, ongoing discussions with partners and stakeholders, negotiation of access to public and government databases and resources, communications with other FIUs.

In recent years, FINTRAC has evolved as an organization, taking new directions and making changes. It is now time for FINTRAC to complete the implementation of these changes and to refine and improve internally to ensure that the organization is best positioned to accomplish its mandate. To this effect, FINTRAC plans to undertake the following activities:

- Ensure that partners receive timely and relevant intelligence. FINTRAC will work with partners to prioritize their needs and develop products related to these priorities.
  Identify and communicate emerging money laundering and terrorist financing trends. FINTRAC will collaborate with partners and stakeholders to identify and develop relevant intelligence products and evaluate product effectiveness.
- A noted shift towards compliance enforcement was seen with the implementation of an administrative monetary penalties system. FINTRAC will continue to refine its compliance program through the improvement of its risk assessment model

and will undertake projects to enhance the data quality of financial transaction reports.

- FINTRAC will work to strengthen relationships with key partners and strive for better integration with the intelligence community with a view to better align priorities and to be more effective in its contributions to partners.
- On an international level, FINTRAC plans to continue to develop relationships with foreign partners through the negotiation of agreements with FIUs for information exchange, the provision of technical assistance to developing FIUs and through active involvement in the Egmont Group of Financial Intelligence Units and the Financial Action Task Force (FATF).
- FINTRAC will continue to be innovative in its approach to operational processes by automating key business processes through technology driven solutions, identifying opportunities and inefficiencies and prioritizing and completing implementation plans.

Additional to the above planned activities, FINTRAC will undertake activities with a goal of best positioning the agency for the future:

- A report from the first PCMLTFA-mandated audit by the Office of the Privacy Commissioner of Canada (OPC) recognized the Centre's good work in protecting information in its database. Following the audit, FINTRAC has committed to exploring solutions to permanently delete information that should not have been received from its database holdings.
- FINTRAC will increase its ability to influence policy, legislative and regulatory directions of the AML/ATF regime over the longer term. In 2010-11 FINTRAC will prioritize issues and will begin to engage in discussions with the Department of Finance and other AML/ATF partners as appropriate.
- The 10 year evaluation of the AML/ATF regime is scheduled for completion by the end of the third quarter of the year. Recommendations stemming from this evaluation may identify opportunities for improvement.
- A Parliamentary review of the PCMLTFA will begin in 2011. The upcoming fiscal year will see FINTRAC preparing for this review.

Benefits for Canadians:

FINTRAC is an essential component of the community of organizations and functions that combat organized crime and terrorism under Canada's anti-money laundering and anti-terrorist financing (AML/ATF) regime. The Centre's role is to facilitate the detection and deterrence of money laundering and terrorist activity financing in Canada and abroad by analyzing reported transactions and other information and making case disclosures of financial intelligence to the appropriate law enforcement agency, security and intelligence agency, or foreign financial intelligence unit, when there are reasonable grounds for suspicion of relevance to the investigation or prosecution of money laundering or terrorist activity financing offences.

By ensuring the compliance of reporting entities with their obligations under the PCMLTFA, the Centre helps to create a formidable deterrent to those who would use

legitimate financial channels to launder money or to finance terrorism. In Canada, banks and other entities with obligations under the PCMLTFA maintain internal compliance regimes that ensure that the trail of financial transactions can be followed, and that law enforcement agencies can effectively pursue cases of suspected money laundering and terrorist activity financing, thereby strengthening Canada's capacity to detect and deter money laundering and terrorist financing.

Money laundering and terrorist activity financing are transnational in nature, necessitating the participation of all countries for successful detection and deterrence. FINTRAC's work with international bodies such as the Egmont Group and the Financial Action Task Force contributes to the development of international AML/ATF policies and standards, the promotion of operational cooperation among financial intelligence units and the provision of technical assistance to developing FIUs. The operational links the Centre has forged with other FIUs throughout the world are a vital part of FINTRAC's contribution to the domestic and international fight against terrorism, money laundering and organized crime.

❖ Program Activity 1.2: Internal Services

Program Activity 1.2: Internal Services					
Human Resources (FTEs) and Planned Spending (Denomination)					
2010–11		**20[illegible]–12**		**2012–13**	
FTEs	**Planned Spending**	**FTEs**	**Planned Spending**	**FTEs**	**Planned Spending**
47	7.5	33	4.8	32	4.7

Program Activity Summary & Planning Highlights:

Under the internal services program activity are services that support the function of the organization and act as enablers for the organization's other program activity. Internal Services are groups of related activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services[1]; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative

[1] Internal Services figures include only the portion of IT services dedicated to organization-wide activities. Program-specific IT costs are included in the figures for the "Detection and Deterrence of Money Laundering and Terrorist Financing" program activity.

Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

The planning highlights for the Internal Services Program Activity include:

- Maintain and develop a reputation as an "employer of choice" with a diverse and dynamic workforce.
- Maintain and strengthen FINTRAC's unique expertise and skill sets with the help of employee development programs and encourage and support career progression.
- Implement the revised corporate risk profile into all aspects of FINTRAC's operations.
- Ensure the most efficient alignment of resources with business priorities and strategic directions.
- Align the Centre's internal controls with government priorities in each area.
- Review and update corporate policies and practices in light of FINTRAC's business strategies.
- Work with Library and Archives Canada to obtain Record Disposition Authorities (RDAs) for all FINTRAC-managed records.
- Update of the IM/IT strategic plan that is aligned with and fully supports FINTRAC business strategies and priorities.
- Alignment and use of Government of Canada Public Works' IM/IT shared services including Secure Channel Network (SC Net), Internet Access, Internal Credential Management Services (ICMS), Open Text (RDIMS & BPM).
- Support for the evolution of Government of Canada shared services through participation at the Treasury Board's Chief Information Officer Committee (CIOC), Heads of IT, and service management advisory boards.

Section III: Supplementary Information

❖ Supplementary Information

All electronic supplementary information tables found in the 2010-11 Report on Plans and Priorities can be found on the Treasury Board of Canada Secretariat's web site at: http://www.tbs-sct.gc.ca/rpp/2010-2011/info/info-eng.asp.

- Horizontal Initiatives
- Internal Audits
- Evaluations
- Non-Respendable Revenue
- Summary of Capital Spending by Program Activity

Additional Information

FINTRAC's corporate publications can be found at:
http://www.fintrac-canafe.gc.ca/publications/pub-eng.asp